



FARMINGTON CITY

SCOTT C. HARBERTSON
MAYOR

JOHN BILTON
NELSEN MICHAELSON
CORY R. RITZ
JIM TALBOT
JAMES YOUNG
CITY COUNCIL

DAVE MILLHEIM
CITY MANAGER

NOTICE & AGENDA

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY OF FARMINGTON

Notice is hereby given that the City Council of **Farmington City** and the Governing Board of the Redevelopment Agency will hold a meeting on **Tuesday, November 20, 2012, at 9:00 p.m.** The meeting will be held at the Farmington City Hall, 160 South Main Street, Farmington, Utah. The agenda shall be as follows:

1. Roll Call
2. Approval of Demolition for Blighted Building Located on the NE Corner of 1400 North and Main

Ajourn

DATED this 16th day of November, 2012.

REDEVELOPMENT AGENCY

By: Holly Gadd
Holly Gadd, City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting, should notify Holly Gadd, City Recorder, 451-2383 x 205, at least 24 hours prior to the meeting.



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City Council / Redevelopment Agency Staff Report

To: Honorable Mayor and City Council

From: Dave Millheim, Executive Director

Date: November 14, 2012

**SUBJECT: APPROVAL OF DEMOLITION FOR BLIGHTED BUILDING
LOCATED ON THE NE CORNER OF 1400 NORTH AND MAIN
STREET**

RECOMMENDATIONS

1. Acting as the RDA, approve a finding of significant blight on the subject property which is detrimental to the health, safety and welfare of the neighborhood.
2. Authorize the RDA to execute the attached agreement which allows for the demolition of the structures on the property and disposal of the debris with the RDA contributing funds for this purpose.
3. Acting as the City Council, grant the City Manager authority to issue the demolition permit once contracts are signed with the demo contractor.

BACKGROUND

Frank McCollough has been assisting Susan Maughan with efforts to redevelop her property which the RDA has determined is very blighted and a risk to the health, safety and welfare of the neighborhood. Last year, the City granted Final Plat and Final (PUD) Master Plan approval for the Villa Susanna subdivision consisting of five lots in this location. The RDA also agreed to spend up to \$100,000 towards the demolition costs once a qualified builder/developer could be contracted. The City Manager has granted a one year extension of those earlier approvals because to date the property owner has not found a qualified builder/developer. While some parties have come close to agreeing to do what was desired with the earlier approvals, the stumbling block has always come back to the uncertainty of costs and impacts associated with the demolition of the structures. The blight problem has only worsened so the RDA staff in cooperation with the Maughan's is recommending we solve the blight problem now without changing any of the earlier granted plat and PUD approvals. In this way, the blight problem goes away and the property owner should then be able to find a buyer consistent with the existing

plat approvals. It should be noted that the owner may come in with an amended site plan in the future and/or loose their site plan approvals if nothing happens in the coming year. In the meantime, the blight problem is removed. We should also point out that with the assistance of Mr. McCollough, more favorable bids then expected were received and so the RDA contribution amount has been lowered to \$75,000.

Respectfully Submitted



Dave Millheim
City Manager

AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of November, 2012, by and between **FARMINGTON CITY**, a Utah municipal corporation, hereinafter referred to as the "City," and the **FARMINGTON CITY REDEVELOPMENT AGENCY**, a _____, **SUSAN MAUGHAN**, an individual, hereinafter referred to as "Maughan," and **VILLA SUSANA PUD, LLC**, a Utah limited liability company, hereinafter referred to as "Villa Susana."

WHEREAS, the Farmington City Redevelopment Agency has been organized within Farmington City for the purpose of promoting economic development within the City; and

WHEREAS, the Farmington City Redevelopment Agency Board has previously created the North Main Street Project Area within Farmington City for the purpose of assisting economic development within the Project Area; and

WHEREAS, Maughan is the owner of property located at 1400 North Main Street within the North Main Street Project Area, which property has been declared by the Redevelopment Agency Board to be blighted based on the property's condition over the last several years; and

WHEREAS, to assist in economic development activities within the area, the Redevelopment Agency has determined that the structure located on Maughan's property must be demolished and removed and that such demolition and removal is the most logical means of removing the existing blight; and

WHEREAS, to assist in the demolition of the structure, the Farmington City Redevelopment Agency has determined that it is appropriate, and will promote the public interest to allocate not to exceed \$75,000 of RDA funds to demolition and cleanup of the structure and the site on which the structure is located; and

WHEREAS, the Farmington City Council has approved the expenditure of the RDA funds for the stated purpose;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Demolition.** Maughan and Villa Susana, jointly and severally, hereby agree to undertake the demolition of the structure and site cleaning at the property located at 1400 North Main Street in Farmington City, located within the North Main Street Project Area. Pursuant to a contract with TID which successfully bid for the work, such work shall be undertaken immediately and shall be pursued to completion.

2. **RDA Funding.** The Redevelopment Agency of Farmington City hereby commits a sum not to exceed \$75,000 to be utilized in the demolition of the structure. Such funding shall be paid upon invoice from TID to the Agency and approval the work has been satisfactorily completed. In the event costs of demolition are less than \$75,000, the Agency shall pay for the demolition in the amounts invoiced. Payment of such funding is based on the findings of the Agency Board set forth in paragraph 8, below, and is further based on the approved development plans for the project which will include the construction of some housing which is intended to be utilized by lower income persons and/or families. All conditions of approval for the Villa Susana Project, as granted by Farmington City, are hereby incorporated as terms and conditions of this Agreement, and the approved land uses are hereby acknowledged to be a material provision of this Agreement.

3. **Release and Hold Harmless.** Maughan and Villa Susana hereby agree to release, indemnify and hold harmless the Farmington City Redevelopment Agency and Farmington City from any costs, claims or damages to any party resulting from demolition of the structure and clearance of the site. This covenant includes any damages arising from any environmental condition existing on the property or which may occur on the property. The parties specifically acknowledge and agree that neither the agency nor the City shall have any responsibility for any environmental condition existing on the Property now or in the future.

4. **No Effect on Development Approvals.** Nothing in this Agreement shall be construed as altering in any way any land use or development approvals granted by Farmington City to Maughan or Villa Susana. The parties specifically acknowledge that Villa Susana has received two extensions of time in which to record a plat for the proposed project from Farmington City and that the current deadline for plat recording is October 23, 2013. The parties further specifically acknowledge that any delay in plat recording beyond that date will require that the project again apply and receive all necessary land use approvals.

5. **Term.** This Agreement and the covenant of the Redevelopment Agency to provide funding for demolition and cleanup of the structure and site shall continue in full force and effect for a period of three years from the date of this Agreement. In the event the structure is not demolished by that date, or in the event demolition and site clearing is not complete, the City and the Agency's obligations hereunder shall terminate and shall be of no further force or effect.

6. **City Approval.** Farmington City Council has reviewed the terms and conditions of this Agreement and by a signature below, hereby approves of the same. The City further acknowledges that it has approved a demolition permit for the structure.

7. **Findings of the Agency.** The Redevelopment Agency of Farmington City hereby affirms its prior declaration of blight in the North Main Street Project area. Further, the Agency Board hereby affirms its prior declarations that the structure located at 1400 North Main Street is blighted based on its current condition in that it does not meet current building codes, it is structurally unsound and unsafe, and rehabilitation of the structure is not economically feasible and therefore demolition is the most economically feasible alternative to remove the blight on the property. The Agency further declares that removing blight at the specific location of the structure and the site will assist economic development activities within the North Main Street Project area and therefore will promote public health and welfare.

8. **Entire Agreement.** This Agreement contains the entire understanding and agreement of the parties relating to the Agency's commitment of funding for demolition and cleanup of the structure and site at issue. All other understandings, oral representations or agreements between the parties are of no further force and effect and this Agreement shall represent the entire agreement and understanding of the parties as to this subject matter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement individually or by and through their respective, duly authorized representatives as of the day and year first above written.

CITY
FARMINGTON CITY

ATTEST

City Recorder

By: _____
Scott C. Harbertson, Mayor

FARMINGTON CITY
REDEVELOPMENT AGENCY

By: _____

Its: _____

SUSAN MAUGHAN

VILLA SUSANA PUD, LLC

By: _____

Its: _____

ACKNOWLEDGMENTS

STATE OF UTAH)
 :SS.
COUNTY OF DAVIS)

On the ____ day of _____, 2012 personally appeared before me Scott Harbertson, who being duly sworn, did say that he is the Mayor of **FARMINGTON CITY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Scott Harbertson acknowledged to me that the City executed the same.

Notary Public

STATE OF UTAH)
 :SS.
COUNTY OF DAVIS)

On the ____ day of _____, 2012 personally appeared before me _____, who being duly sworn, did say that he is the _____ of the **FARMINGTON CITY REDEVELOPMENT AGENCY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Scott Harbertson acknowledged to me that the City executed the same.

Notary Public

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the ____ day of _____, 2012, personally appeared before me **SUSAN MAUGHAN** who being by me duly sworn, did say that she is the signer of the foregoing instrument, who duly acknowledged to me that she executed the same.

Notary Public

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the ____ day of _____, 2012, personally appeared before me _____, _____, who being by me duly sworn, did say that (s)he is the _____ of **VILLA SUSANA PUD, LLC**, a limited liability company, and that the within and foregoing instrument was duly authorized by the limited liability company at a lawful meeting held by authority of its operating agreement; and acknowledged to me that said limited liability company executed the same.

Notary Public